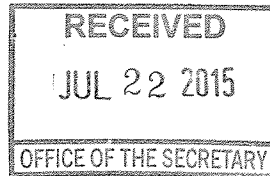


July 6, 2015

Honorable James E. Grimes  
Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557



Received

JUL 13 2015

Office of Administrative  
Law Judges

Administrative Proceeding File No. 3-16374

Dear Judge Grimes:

As of June 29, 2015 I am in receipt of your Initial Decision notice dated June 25, 2015.

This letter/correspondence comprises my official request for a motion to "correct manifest error of fact" pursuant to Rule 111. I will list said manifest errors in order of their appearance in the June 25th notice.

**ERROR #1:** (Pages 1&2): "The division alleges that Wulf set up trusts for prearranged services and possessed a degree of control..."

**CORRECTION:** I did not "set up" any trusts. Those were arranged by the banks and NPS. Wulf, Bates and Murphy's (WBM) investment protocol stipulates that this advisory account was on a "non-discretionary" basis. In this situation the client ALWAYS reserves the right to act unilaterally, which it did. All the investment recommendations had to be discussed and approved by the **CLIENT** prior to any decision or directions. As such, the client had ultimate control over any and all investments. WBM owed fiduciary duties to NPS, and its recommendations were made based upon information given advisor by the client. Integral to this process is the client giving honest and truthful goals and resources available so advisor can advise in meeting those objectives. NPS intentionally lied, told half truths, withheld information and maliciously manipulated the advisor for their fraudulent purposes. This deceit was unknown to advisor at the time.

Additionally, simple whole life and term insurance are not securities and as such are NOT regulated by the SEC. Any insurance advice given to NPS by Wulf was general in nature. I (Wulf) held a general insurance agent license with the State of Missouri Insurance Department. During discovery in 2012, I first learned that NPS had an insurance agency and licensed agents receiving commissions for purchased policies. According to Missouri Insurance law, NPS Insurance Agency and the agents of record receiving those commissions had the "degree of control". I was not associated with NPS' Agency, received no insurance commissions and had no "degree of control".

**ERROR #2:** (Page 2): "...the Division alleges that Wulf engaged in a conspiracy to defraud purchasers and trustees of National Prearranged's contracts and trusts."

**CORRECTION:** I did not engage in any conspiracy to defraud purchasers and trustees of NPS contracts and trusts. Admitted perpetrators exonerated me in sworn affidavits. Copies of those affidavits have been provided to you in my previous correspondence.

**ERROR #3:** (Page 2): "Wulf assisted National Prearranged Services (NPS) and others in gaining control of the trusts' assets..."

**CORRECTION:** I did not assist NPS and others to gain control of the trust assets. They did it on their own.

**ERROR #4:** (Page 2): "...and 'knowingly allowed' others to divert..."

**CORRECTION:** I did not allow others to divert assets. National City Bank admitted in court that the wire transfers process "was a system that Allegiant knowingly and consciously created where it would AUTOMATICALLY execute wire transfers requested by NPS and its employees." I did not know about it or allow it.

**ERROR #5:** (Page 3): "Typically, 'states expressly require the creation of a trust account in connection with the sale of a preneed funeral contract' "

**CORRECTION:** NPS offered preneed contracts in numerous states. Only a few states require the creation of a pre-need trust. It is not "typical" as described in the June 25th notice. To the contrary, it is quite atypical. Indeed, most states require direct life insurance contracts issued for a pre-need contract. NPS sales persons had to be licensed separately as general insurance agents in EACH of those individual states. Wulf had nothing to do with those states or sales. This has been a source of great confusion in the industry. As a result of the NPS bankruptcy, the Missouri Statute 436 which regulates the pre-need trusts in the state, had to be gutted and completely re-written due to this confusion.

**ERROR #6:** (Page 3): "As is discussed below, their scheme involved the sale of ...contracts through NPS."

**CORRECTION:** The scheme involving the sale of contracts did NOT include my participation. I was kept in the dark. The co-conspirators admitted to this fact.

**ERROR #7:** (Page 3): "Funds received in exchange for funeral contracts were placed in a trust."

**CORRECTION:** Funds received for funeral contracts were not always placed in a trust.

**ERROR #8:** (Page 3): "Wulf would then authorize or permit loans against the whole life policies' cash value..."

**CORRECTION:** I did NOT authorize or permit loans against the policies cash value. I had no "authority" to allow or permit said loans.

**ERROR #9:** (Page 3): "...and then surrender the policies for cash minus the amount of the loans against the policies."

**CORRECTION:** I did not surrender the policies, as I had no control (or license) to do so.

**ERROR #10:** (Page 3): "Once the policies were surrendered, he would purchase term life policies that were funded by later contract purchases."

**CORRECTION:** I did not purchase term life policies. Randy Sutton or NPS employees did so of their own volition.

**ERROR #11:** (Page 4): Wulf testified during his trial that he was Trust IV's independent investment advisor and that he owed it a fiduciary duty."

**CORRECTION:** My fiduciary duties were owed to NPS. The advisor, the bank trustees, and NPS ALL believed that the grantor AND beneficiary of the trusts was NPS. It was the bank trustees who owed THE fiduciary duty to the Trusts. In the related sister civil trial, 4:09CV01252 ERW, expert witnesses testified that Wulf owed his fiduciary duty to NPS. They also ascribed the fiduciary duty of the bank trustees to the trusts. These expert witnesses were described as "qualified, reliable and admissible" by the Honorable Judge Richard E. Webber. Further, the court reads the statute (MO 436) to require trustee obligations "whether an investment advisor is APPOINTED OR NOT." Copies of those documents have been supplied in previous correspondence.

**ERROR #12:** (Page 5): "... (explaining that Wulf decided to stop buying stocks and bonds to instead 'buy life insurance' to fund...)"

**CORRECTION:** I did not decide to stop buying stocks and bonds because I did not have that decision making authority or ability. It was done by NPS; not me.

**ERROR #13:** (Page 5): "During Wulf's tenure as investment advisor, he authorized the surrender of all of the whole life policies in the trust."

**CORRECTION:** I did not authorize the surrender of all the whole life policies in the trust. I did not have the power to authorize the surrender of any policies.

**ERROR #14:** (Page 5): "Despite conceding that he owed a fiduciary obligation to NPS Trust IV..."

**CORRECTION:** My obligation was to NPS per the advisory contract and the fact that they were believed to be the Grantor of the trust and Beneficiary. See Correction #11.

**ERROR #15:** (Page 5): "...he authorized the taking of loans against the cash value of whole life policies in Trust IV."

**CORRECTION:** I did not authorize the taking of loans against the cash value of whole life policies in trust IV. That was always "authorized" by Randy Sutton or NPS employees.

**ERROR #16:** (Page 5): "If a loan reduced the death benefit below the amount needed to cover a funeral, NPS was forced to make up the shortage."

**CORRECTION:** NPS was forced to make up any shortage because of their own actions, not mine.

**ERROR #17:** (Page 5): "Wulf repaid some of the loans by surrendering policies for their cash value and replacing them with term policies."

**CORRECTION:** I did not repay loans by surrendering policies for their cash value. This was done by NPS.

**ERROR #18:** (Page 5): "The policies, however, were purchased from Lincoln and Memorial...and at least one of which was located at the same address as NPS."

**CORRECTION:** Lincoln and Memorial had several locations over the years. Their NPS address was merely one of the mailing addresses that they utilized.

**ERROR #19:** (Page 5): The evidence presented tended to show that Wulf and his firm did not maintain independence from NPS and its related entities."

**CORRECTION:** I disagree. WBM maintained its independence as a separate corporate entity. It is normal for an advisor to be "wholly independent" from advisory client and still be OBLIGATED to take direction from that client. Indeed, that is how ALL of WBM numerous other client/advisory relationships operated and yet WBM was "wholly independent" from each and every one of those accounts.

**ERROR #20:** (Page 6): "Wulf's firms' offices were located in the building NPS leased. Additionally, Wulf's health insurance was provided through NPS's health insurance plan."

**CORRECTION:** Wulf's company merely rented office space at the location. No special rates or consideration were afforded WBM. Wulf purchased health insurance for his employees at full market rates. There was no inside arrangement or benefit.

**ERROR #21:** (Page 6): "Nonetheless, at his direction, Trust IV bought stock from Trust IV in Forever Enterprises."

**CORRECTION:** Trust IV bought stock in Forever Enterprises at the direction of Randy Sutton/NPS; not me.

**ERROR #22:** (Page 6): "Wulf also caused Trust IV to directly purchase in six transactions from Forever Enterprises the shares it owned in four other companies."

**CORRECTION:** I did not cause anything of the sort. It was masterminded and wholly perpetrated by Doug Cassity and his admitted co-conspirators. This particular purchase direction was given by Brent Cassity and Randy Sutton.

**ERROR #23:** (Page 6): "And the e-mail address used by Kathy Bates, a part time Wulf Bates employee...was at forevernetwork.com."

**CORRECTION:** Kelly (not Kathy) Bates' e-mail address was not used by WBM. It was a personal e-mail address, if it was used at all. I had no access to it.

**ERROR #24:** (Page 6): "The fact that the district court imposed a \$435 million restitution award necessarily means that Wulf caused \$435 million in losses."

**CORRECTION:** I disagree with this statement. As worded here, it is merely circular logic.

**ERROR #25:** (Page 9): "Wulf also violated the fiduciary duty he owed Trust IV."

**CORRECTION:** I did not violate any fiduciary duty to Trust IV. It was violated by the trustee banks and NPS; not me.

**ERROR #26:** (Page 9): "Instead of honoring his fiduciary duty, Wulf helped loot Trust IV..."

**CORRECTION:** I did not help "loot" Trust IV. It was drained by Doug Cassity, Randy Sutton and

their admitted co-conspirators. Admitted co-conspirators also exonerated me. Under MO Statute 436 the trustees have the duty to monitor money into and out of the trusts. Distributions are NOT allowed if those disbursements reduce the corpus of the trust below the total deposits made into the trust. In the sister civil trial 4:09CV01252 ERW, plaintiff Texas Special Deputy Receiver (SDR), stated in its motion for dismissal of Wulf that "The remaining Missouri Trustees and National City Bank seek to...foster their improper strategy to blame Wulf for their negligence and fiduciary breeches." The Honorable Judge Webber granted that dismissal. The Texas SDR went on to win the case.

**ERROR #27:** (Page 9): "Indeed Wulf's fraud, which lasted at least sixteen years, was recurrent does not adequately describe what he did."

**CORRECTION:** I had no part in any fraud; recurrent or otherwise.

**ERROR #28:** (Page 9): "Despite his years of experience and prior legal actions against NPS and its affiliated entities, he did not desist and continued to participate in a fraudulent scheme."

**CORRECTION:** The "prior legal actions against NPS" referred to here caused the appointment of a regulator to monitor NPS activity. That regulator (Bob Lock) never once reported to me any improper activity by NPS over a period of 6 years. Mr. Lock left in late 2000 and declared an "all-clear". During my trial, the Federal Government (my prosecutors) agreed with Mr. Lock's assessment. Additionally, NPS' legal counsel told Mr. Lock that I (Wulf) was deliberately kept on a need-to-know basis regarding the legal actions against NPS. That is clearly NOT participating in a fraudulent scheme.

**ERROR #29:** (Page 10): "And, in his answer, he blamed his conviction on his counsel and on prosecutorial misconduct."

**CORRECTION:** I submitted my 2255 and rebuttal in a timely fashion to the SEC as a response to these charges. This motion does not JUST accuse the government of prosecutorial misconduct and my attorney of ineffective counsel. This motion introduces substantial NEW evidence that shows Wulf's innocence. If that motion (and its 55 exhibits) has not been admitted as evidence, I respectfully request that it is so entered into the record.

**ERROR #30:** (page 10): "During the trial, he blamed the lapse of term policies on the Special Deputy Receiver...Receiver's appointment was due to Wulf and his co-conspirators."

**CORRECTION #30:** The Texas Special Deputy Receiver appointment was not due to Wulf's misconduct. In fact, the Texas SDR dismissed Wulf from the civil suit arguing; "The Missouri Trustees and National City Bank seek ...to foster their improper strategy to blame Wulf for their negligence and fiduciary breeches." It is also factual to state that; 1) Wulf NEVER paid or directed any insurance premiums for the trusts (or any other state's insurance premiums), 2) that Randy Sutton and NPS ALWAYS directed and paid those premiums, 3) Randy Sutton had been fired prior to those policy lapses and 4) Texas SDR had taken over NPS and Lincoln Memorial when those premiums were due and the lapses occurred.

**ERROR #31:** (Page 10): "Based on Wulf's refusal to accept responsibility and the fact that the fraud lasted sixteen years..."

**CORRECTION:** It is not a refusal to accept responsibility. It is a profession of innocence. Because

of that innocence, I was the only individual to refuse a plea deal. There is a major difference in concepts here.

All of my corrections are substantiated by exhibits. I re-invite and encourage the SEC to peruse those documents submitted as evidence of my innocence.

Sincerely,

David R. Wulf

cc. Ana D. Petrovic  
Jonathan Polish